

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 96-235-W/S - ORDER NO. 96-707

OCTOBER 14, 1996

IN RE: Application of Carolina Water Service,) ORDER GRANTING
Inc. for Approval of a Transfer of the) IN PART AND
I-20 and Lake Murray Systems to the) DENYING IN PART
Town of Lexington, South Carolina.) MOTION TO
) COMPEL

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of a Motion to Compel filed by the Consumer Advocate for the State of South Carolina ("the Consumer Advocate").

Previously in the instant Docket, the Consumer Advocate served its First Set of Interrogatories on Carolina Water Service, Inc. ("CWS"), the Applicant herein. In response to several of the Interrogatories, CWS objected to providing the requested information. The Consumer Advocate filed his Motion to Compel regarding the failure of CWS to furnish the requested information. CWS filed a Return to the Consumer Advocate's Motion to Compel.

In paragraphs one through six of his Motion to Compel, the Consumer Advocate seeks to compel the production of information for Interrogatories 1-3, 1-4, 1-5, 1-6, 1-7, 1-9, 1-10, 1-11, 1-12, and 1-13. The information requested by the above listed Interrogatories relate to the original cost and book value of the facilities and properties which are described in the transfer

agreement of which CWS seeks approval, the expenses associated with those facilities and properties, the effect of the proposed sale and transfer on other costs, and the legal and regulatory commission expenses associated with the transfer.

In its responses to the Consumer Advocate's Interrogatories, CWS objected to the production of the requested information on the grounds that the requested information did not pertain to the subject matter of the instant proceeding and that the requested information was relevant in a subsequent ratemaking proceeding. Further, CWS asserts that much of the requested information does not exist. By its Motion to Compel, the Consumer Advocate contends that the primary issue in this proceeding is whether the proposed transfer is "in the public interest." Further, the Consumer Advocate asserts that a necessary component of the public interest is to determine the potential impact of the transfer on the other ratepayers of CWS who do not reside in these service areas.

Upon consideration of this matter, the Commission believes that the Consumer Advocate's Motion to Compel as to Interrogatories 1-3, 1-4, 1-5, 1-6, 1-7, 1-9, 1-10, 1-11, 1-12, and 1-13 should be granted. The regulations governing the proposed sale and transfer require the Commission to determine whether the proposed sale is "in the public interest." The Commission believes that "the public interest" encompasses all of the customers of CWS, not just those customers in the areas which are the subject of the instant proceeding in the I-20 and Lake

Murray service areas. The Commission further believes that it is better and "in the public interest" to evaluate the potential impact on all CWS customers before any transfer occurs, rather than after a transfer has been completed. Therefore, the Commission grants the Consumer Advocate's Motion to Compel as to Interrogatories 1-3, 1-4, 1-5, 1-6, 1-7, 1-9, 1-10, 1-11, 1-12, and 1-13.

By paragraph seven of his Motion to Compel, the Consumer Advocate seeks to compel the production of information requested by Interrogatory 1-15 which requested copies of documents referenced in Exhibit 5 to the Purchase Agreement which was part of the Application. The Consumer Advocate asserts that the requested documents are pleadings related to the pending administrative proceeding. CWS asserts that the documents requested do not exist as CWS is not obligated to provide these documents until closing of the sale and transfer. CWS states that the requested information relates to identification of pending or threatened legal, equitable, regulatory, or administrative actions known or suspected by CWS as of the closing which involve CWS's ownership or operation of the facilities subject to transfer.

The Commission agrees with the Consumer Advocate that the responses to Interrogatory 1-15 should be provided. The Commission therefore grants the Consumer Advocate's Motion to Compel as to Interrogatory 1-15.

Finally, by paragraph 8 of his Motion to Compel, the Consumer Advocate seeks to compel production of information requested by

Interrogatory 1-25 which sought an exhibit showing average water usage for the past twelve months for each individual subdivision subject to the proposed transfer. In its Return to the Consumer Advocate's Motion to Compel, CWS contends that the requested information has no relevance to the subject matter of this proceeding as there is no proposal to adjust the rates of the customers affected by the transfer.

Upon consideration of this issue, the Commission finds no reason to compel production of a response to Interrogatory 1-25. Therefore, the Commission denies the Consumer Advocate's Motion to Compel as to Interrogatory 1-25.

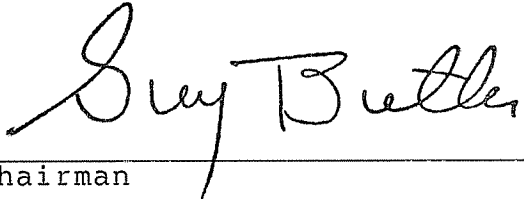
IT IS THEREFORE ORDERED THAT:

1. The Consumer Advocate's Motion to Compel is granted as to Interrogatory 1-3, 1-4, 1-5, 1-6, 1-7, 1-9, 1-10, 1-11, 1-12, 1-13, and 1-15.

2. The Consumer Advocate's Motion to Compel regarding Interrogatory 1-25 is denied.

3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director
(SEAL)